

# NET METERING AND SOLAR TASK FORCE

## ANALYTIC SUPPORT CONSULTANT

### DRAFT OUTLINE SCOPE OF WORK

MA Department of Energy Resources

November 7, 2014

#### ROLE OF THE CONSULTANT

The consultant will be contracted by DOER and serve to provide analytic, research, and public process work for the Task Force. Interview Task Force members and broader stakeholder participants and incorporate feedback into the report. Interviews shall be added as an addendum to the report.

#### BUDGET AND FUNDING SOURCE

DOER proposes to utilize available Alternative Compliance Funds to support this work.

#### SCOPE OF CONSULTANT WORK – OUTLINE

Task 1. summarize the incentive programs offered in other states including but not limited to standard offer, declining block incentives and competitive procurements.

- For example, CA Declining Block, CT ZREC, RI Renewable Energy Growth, NY Sun.

Task 2. provide a representative analysis of the level of solar development in states that do not have an incentive program.

Task 3. analyze the costs and benefits of current Massachusetts net metering and solar incentive policy and compare to other policies from the perspective of groups the customer-generator, non-participating ratepayers and citizens of the commonwealth at large, provided that the task force may further specify groups.

Task 4. Provide a range of options for appropriate structures for providing the support to reach the 1600 MW goal and provide the opportunity for additional development.

- Identify areas where changes could be made to the current net metering and/or solar incentive programs that would offer a reduction in costs without reducing

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benefits and while achieving the 1600 MW and provide the opportunity for additional development.

**Task 5.** complete a survey of the range of minimum bill programs from across the country, including when the program was adopted and any impacts on solar observed since adoption.

- Analysis of a minimum bill paid by all Massachusetts ratepayers in all rate classes, as a mechanism to support a reliable electric distribution system.
- Consider the impact of the minimum bill on reaching the 1600 MW goal.

### **Final Reports and Presentations**

#### **Task 6. Provide Task Reports and Presentations to Task Force Meetings**

Attend Public Meetings and participate in opportunities for Public Comment with Task Force

Provide full report documentation on Tasks and analyses

Provide summary memos to Task Force for each Task

Provide presentation (PowerPoint) materials for Task Force meetings

### **DRAFT TIMELINE (2014-2015)**

**November** Finalize Scope and Post RFP

**Nov-Dec** Hire Consultant, Research Begins, Task Force Meet with Consultant interview individual Task Force Members.

**December** Research, attend task force meetings.

**January** Review data collection, literature review and initial analysis with Task Force Members; Consultant Provides Draft Report. Initial public comment period.

**February** Consultant Provides Second Draft Report for Comment. Second public comment period.

**March** Final Report Reviewed, Finalized, Approved

**Moved up [1]:** MA SREC II, California CT ZREC, RI Competitive Bid, NY, etc.¶

¶ **Task 3. Summarize Cost/Benefit of Current Net Metering/Solar Incentive Policy Framework in MA**¶

¶ **Task 4. Propose Changes to Current MA Net Metering/Solar Incentive Policy Framework** ¶  
Identify areas where changes could be made to the current net metering and solar incentive programs that would offer a reduction in costs without reducing benefits and while achieving the 1,600 MW goal, and beyond. In other words, propose a fair value of solar (or multiple values, potentially) based on tasks 1-3, and then determine the value of an additional incentive for solar attributes necessary to reach the 1,600 MW goal, and beyond. ¶

¶ **Evaluation of Proposed NM/Solar Compromise Bill (H.4185)**¶

¶ **Task 5. Evaluate Perceived Costs and Benefits of Net Metering/Solar Compromise Bill (H.4185) across the Range of Stakeholder Perspectives**¶

Interview Task Force members and broader stakeholder participants¶

For each stated goal of the proposed legislation, as provided as an Appendix to the scope of work, determine whether each Task Force Member is in agreement with the provision of the bill, and if not, characterize the members' objections and any alternative proposals.¶

¶ **Task 6. Summarize Proposed Changes to Net Metering/Solar Compromise Bill (H.4185)**¶

Where Task Force Members and/or broader stakeholder participants are not in agreement with a particular portion of the proposed legislation, summarize proposed alternative bill language.¶

**Deleted: Task 1. Summarize Existing Cost/Benefit of Distributed Generation Literature from U.S.**¶

Academic and state policy development reports¶

"Value of Solar" studies¶

¶ **Task 2. Summarize Significant Net Metering/Solar Incentive Policy Frameworks in the U.S.**¶

MA SREC II, California Declining Block, CT ZREC, RI Competitive Bid, NY, etc.¶

¶ **Task 3. Summarize Cost/Benefit of Current Net Metering/Solar Incentive Policy Framework in MA**¶

¶ **Task 4. Propose Changes to Current MA Net Metering/Solar Incentive Policy Framework** ¶  
Identify areas where changes could be made to the current net metering and solar incentive ...

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**Deleted:** Appendix: Key components of the compromise bill H.4185¶

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The following goals of the proposed legislation were widely agreed-upon and will serve as the guidelines for the evaluation of the proposed legislation as well as any alternative suggestions as to how the proposed bill could be improved. ¶

¶  
<#>Continue the deployment of distributed generation in Massachusetts ¶

<#>1600 MW solar goal written into statute.¶  
<#>h.4185 Section 1 (G.L. c. 25A § 11J)¶

¶  
<#>Retain Virtual net metering with restrictions¶

<#>h.4185 Section 4 (G.L. c. 164 § 139 ½ (a); § 139 ½ (c)(3))¶

¶  
<#>Create a fixed known payment stream that lasts for the life of the project¶

<#>h.4185 Section 1 (G.L. c. 25A § 11K)¶

¶  
<#>Reduce ratepayer impacts¶

<#>Restrictions on virtual net metering¶

<#>h.4185 Section 4 (G.L. c. 164 § 139 ½ (a); § 139 ½ (c)(3))¶

¶  
<#>Create a fixed known payment stream that lasts for the life of the project¶

<#>h.4185 Section 1 (G.L. c. 25A § 11K)¶

¶  
<#>Relieve pressure on renewable energy development from net metering caps¶

<#>No NEM caps for solar, effective immediately¶

<#>h.4185 Section 4 (G.L. c.164 § 139(f))¶

¶  
<#>This would leave cap space for non-solar renewables¶

<#>h.4185 Section 4 (G.L. c.164 § 139(f))¶

¶  
<#>Create a sustainable future framework for small scale renewable energy systems.¶

<#>The declining block solar incentive program includes a set-aside that reserves a reasonable amount of incentive program capacity for eligible generators up to 25kw in nameplate capacity¶

<#>h.4185 Section 1 (G.L. c. 25A § 11K(b))¶

¶  
<#>Preserve availability of both behind the meter and virtual net metering.¶

<#>Behind the meter systems will continue to net meter as they would today¶

<#>h.4185 Section 5 (G.L. c.164 § 139 ½ (c)(2))¶

¶  
<#>Virtual net metering systems may continue to generate credits and assign them to offtakers; credits will be calculated as they are today, minus the distribution kilowatt-hour charge ¶

<#>h.4185 Section 5 (G.L. c.164 § 139 ½ (c)(2))¶

¶  
<#>Enable market to reach 1600 MW DC goal at lower cost and with comparable market outcom...